

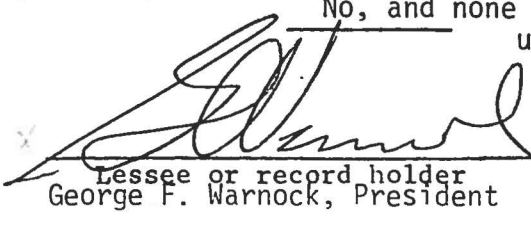
STATEMENT TO ACCOMPANY RELEASE

The undersigned Todilto Exploration & Dev. Corp. Lessee (Assignee), in a certain uranium mining lease executed by Brown Vandever, lessor, in connection with the release, relinquishment, and surrender of all right, title, and interest in and to the foregoing lease on the following described land, to wit: SW $\frac{1}{4}$

of Sec. 18 T. 13N R. 10W, containing 163.38 acres, more or less, hereby furnishes the following information with respect to conservation and protection of the property described herein:

1. Number of drill holes made by lessee. 333 for a total of 29,080 ft.
2. (a) Have all drill holes on lands surrendered been properly plugged and abandoned, including holes drilled by lessee and holes drilled prior to acquiring lease rights, if obtained by assignment? Yes
3 old drill holes caving into old stopes - plugged.
(b) Has drilling information, including a drill hole location map, been furnished to the U. S. Geological Survey? Yes
3. (a) Has the surface of the land been restored to its original condition insofar as practicable? Yes
3350 ft. of drill access road (1.2 acres) - tilled & seeded; entrance to road blocked.
(b) Have shaft and tunnel entrances to underground workings, if any, been sealed to the satisfaction of the U. S. Geological Survey? Yes
old Federal Mine shaft, decline, & stope - backfilled. Underground access to workings also blocked.
4. Has the lease been recorded? Yes
5. Have the lessors asserted any unliquidated or unsettled claim against the lessee or assignee's operations on the lands described above? No, and none pending or unsettled.

Date April 19 19 85



Lessee or record holder
George F. Warnock, President


RELEASE OF URANIUM LEASE

KNOW ALL MEN BY THESE PRESENTS: That Todilto Exploration & Dev. Corp. for a good and valid consideration does hereby release, relinquish, quitclaim and surrender to the lessor Brown Vandever, heirs, assigns and legal representatives, all right, title and interest in and to a certain uranium mining lease, made and entered into by and between Brown Vandever, lessor, and Todilto Exploration & Development Corp., as lessee, dated the 24th day of March, 1980, insofar as same covers the following described land, to-wit:

Contract No. N00-C-14-20-8396

Section 18, Township 13N, Range 10W, and containing 163.38 acres, situated in the County of McKinley and State of New Mexico, said lease being recorded in the office of the Recorder of Deeds in and for said county, in Book _____, Page _____.

Executed this 19th day of April, 19 85.

X 
George F. Warnock, President of
Todilto Exploration & Development Corporation

Acknowledgement for individual

STATE OF New Mexico)
COUNTY OF Bernalillo) ss

I, Ruth E. Mitchell, a Notary Public, in and for said County, in the Dev.Co. State aforesaid, do hereby certify that G.F. Warnock, Pres. of Todilto Expl. & personally know to me to be the same person whose name subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered that said instrument as his free and voluntary act for the uses and purposes therein set forth.

Given under my hand and seal, this 19th day of April, 1985.

My commission expires 8-24-88

of April, 1985
Rush E. Mutchell
Notary Public

DEVELOPMENT, PRODUCTION AND RESERVE SUMMARY

URANIUM LEASE NO. N00-C-14-20-8396

All data listed below were previously reported in quarterly reports as prescribed under Clause XVI of the lease agreement. For more detailed descriptions of the work, the reader is referred to these reports for 1980 and 1981.

Underground Development:	882.5 feet
Production:	1829.69 wet tons at 0.110% U_3O_8
Reserves - Underground:	11,060 wet tons at 0.144% U_3O_8
Open Pit:	36,146 wet tons at 0.118% U_3O_8

TODILTO

EXPLORATION AND DEVELOPMENT CORPORATION

G. WARNOCK
PRESIDENT

H.B. (CHICK) WARNOCK
SENIOR VICE PRESIDENT

V. MONDRAGON
VICE PRESIDENT/CONTROLLER

April 11, 1985

Mr. Brown VanDever
P.O. Box 262
Prewitt, NM 87045

RE: BIA Lease SW $\frac{1}{4}$ Section 18

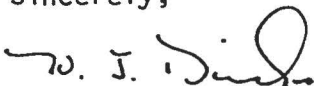
Dear Brown:

Todilto Exploration and Development Corporation has decided to abandon the uranium lease which you hold in the Haystack area. After discussions with BIA and BLM, we have completed the following reclamation work:

- 1) all pre-existing roads in regular use were left as is,
- 2) all pre-existing and Todilto constructed roads, not in use but which have naturally revegetated, were left as is,
- 3) all roads constructed by Todilto which have not revegetated were seeded,
- 4) entry to roads on the North side of Haystack were blocked with boulders,
- 5) two U.S. Federal mine adit entrances, the old Federal Mine shaft and decline entrances, were back filled.

If the completed reclamation and road blockage meets with your approval, please sign.

Sincerely,



N.J. Dircks
Exploration Manager

NJD:bm

Brown VanDever
Brown VanDever

Eather Wood
Witness

STATEMENT OF ROYALTIES

URANIUM LEASE NO. N00-C-14-20-8396

1. Annual Rental

- as per Clause VI of Agreement at \$5.00/acre = \$ 816.90

<u>Year</u>	<u>Rental</u>	<u>Date Paid</u>
1980-81	\$ 816.90	4/10/81
1981-82	"	4/19/82
1982-83	"	3/22/83
1983-84	"*	6/08/84

2. Minimum Royalty

- as per Clause V of Agreement at \$20.00/acre = 3,267.60

<u>Year</u>	<u>Royalty</u>	<u>Date Paid</u>
1980-81	\$3,267.60	4/10/81
1981-82	"	4/19/82
1982-83	"	3/22/83
1983-84	334.64*	6/08/84

3. Production Royalty

- as per Clause IV and Exhibit A of the Agreement

<u>Year</u>	<u>Royalty</u>	<u>Date Paid</u>
1980-81	\$2,208.04	3/26/81
1981-82	2,932.36	5/22/81
1982-83	No Production	
1983-84	No Production	

* See attached letter.

This was our attempt to resolve payment and royalty matter. No answer ever received from BIA or USGS.

TODILTO

EXPLORATION AND DEVELOPMENT CORPORATION

G. WARNOCK
PRESIDENT

H.B. (CHICK) WARNOCK
SENIOR VICE PRESIDENT

V. MONDRAGON
VICE PRESIDENT/CONTROLLER

June 7, 1984

Mr. Thomas Lynch
Real Property Management
Bureau of Indian Affairs
Navajo Area Office
Windowrock, Arizona 86515

Re: BIA Lease #N00-C-14-20-8396
SW 1/4 Section 18, T13N, R10W, NMPM

Dear Mr. Lynch:

In reviewing payments and work commitments on the above referenced lease I arrive at the following summary:

<u>Contract Clause</u>	<u>Item</u>	<u>Details</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>
IV	Production Poyalty	Variable	\$2,208.04 3/26/81	\$2,932.36 5/22/81	no Production	no Production
V	Minimum Royalty	163.38 acres @ \$20/acre = \$3,267.00	\$1,059.56 4/10/81	\$3,267.60 4/19/82	\$3,267.60 3/22/83	
VI	Annual Rental	@ \$5/acre = \$816.90	\$ 816.90 4/10/81	\$ 816.90 4/19/82	\$ 816.90 3/22/83	
XIV	Development	@ \$15/acre = \$2,450.70	\$132,975.58 1/28/82	\$2,496.68 1/6/83	\$4,169.98 3/23/84	\$3,092.75 4/3/84

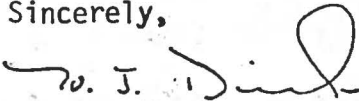
It appears we are in compliance with all obligations except that MINIMUM ROYALTY, (\$3,267.60) and ANNUAL RENTAL (\$816.90) which were due on March 24, 1984 have not been paid. The purpose for this is to rectify that situation. The review also uncovered an item which affects the amount of this year's payment. It appears an overpayment was made on ROYALTIES In 1981-82. A production royalty of \$2,932.36 was made on 5/22/81 which was not credited toward the minimum royalty of \$3,267.60 which was paid in full on 4/19/82. I believe the final royalty payment for 1981-82 therefore should have been \$334.64 (\$3,267.60 - \$2,932.36)

A 10% penalty for late payment in the amount of \$408.45 was also assessed and paid for that year. It appears a portion of that penalty was assessed on royalties not actually due.

Please review the entire situation so we can mutually settle the matter. I would also appreciate your help in resolving this with USGS. Their computer turns out monthly statements which are incomprehensible to me and seem not to have the benefit of the transactions that take place between Todilto and B.I.A.

My suggestion for bringing us into compliance with the agreement is to pay the ANNUAL RENTAL (\$816.90) and the MINIMUM ROYALTY (\$3,267.60) less the 1981-82 overpayment (\$2,932.36) = \$334.64 for a total of \$1,151.54. Check #16486 in that amount is enclosed. The 10% penalty for late payment (\$408.45) then remains as an unresolved issue awaiting your review.

Sincerely,



N.J. Dircks
Manager of Exploration

NJD:djw
enclosure
cc: Joanne Zanjina
MMS (RMP) Solid Minerals Unit
P.O. Box 5760
Denver, Colorado 80217

☐ Certified # _____ ☐ Air Mail ☐ Return Receipt Requested

Date: April 11, 1980

To: Chief, Southwest Title Plant, Albuquerque, New Mexico

From: Navajo Area Office, Real Property Management

Please record the attached document(s), identified below by items 1 thru 3.

- (1) Reservation Code 791/780
- (2) ☒ Allotted lands, No. 077031 ☐ Tribal lands.
- (3) Document Type 23
- (4) Realty File No. N00-C-14-20-8396

Remarks: Please record lease contract No. N00-C-14-20-8396, and return

Shirley Shaw
Signature
Realty Specialist

XX

☒ Certified # 071886 ☐ Air Mail ☒ Return Receipt requested

Date: 4-25-80

Return to Sender

The documents identified by items 1 thru 3 above have been recorded in the Southwest Title Plant, Albuquerque, New Mexico; see block in the upper right corner of this page for date and time of recording and document number assigned.

☒ Document attached ☐ Document retained and filed

Shirley Shaw
For Chief, Southwest Title Plant

For Title Plant use only:

☐ Index posted by _____ Date _____ ☐ Microfilmed by _____ Date APR 24 1980

☐ Photocopied by _____ Date APR 24 1980 ☐ Reception Entered by 4-18-80

Remarks: _____

RECEIVED

APR 28 1980

(Sender's copy)

AREA BRANCH OF
PROPERTY MGMT.